

**Kentucky Department of Revenue
Division of Individual Income Tax**



**KY Publication 1346
Electronic Return File Specifications for
Individual Income Tax Returns**

**Tax Year 2006
Processing Year 2007**

Draft Version #1: September 2006

Software Developer's Guide

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Section 1: INTRODUCTION

The Kentucky Department of Revenue (KDOR) has successfully completed another season of electronic filing through the Fed/State Electronic Filing Program. We would like to express our appreciation to the software developers that participated during the 2006 filing season and encourage any new software developers to consider Kentucky for the 2007 filing season.

File specifications, file layouts and testing procedures follow the standards defined by the NACTP (National Association of Computerized Tax Processors). If you are not a member of the NACTP, you are encouraged to review the standards. You can visit their web-site at www.nactp.org.

We always welcome your suggestions and comments. Feel free to contact the Department of Revenue at any time. See page 8 for list of contacts.

Section 2: OVERVIEW OF 2007 CHANGES

For the 2007 processing season, the Kentucky Education Tuition credit has been redesigned to accommodate the credit carryforward. This carryforward permits unused Kentucky education credits from prior years to be carried forward for up to five years. This updated form has created new fields and has also repositioned several of the existing fields in the 8863-K unformatted record layout. Other minor changes have been made throughout the state record layout, so please review the entire record layout carefully.

Deleted: Beginning with the 2006 processing, the primary tax form for Kentucky (Form 740) has been redesigned. This form redesign has caused a redesign of the generic record for electronic filing. Certain data elements had to be repositioned and numerous fields were added due to the form changes. Most of the electronic filing exclusions Kentucky had in the past are no longer included if the supporting forms are supported by the software developer. See below for a detailed list.

New Business Credits: Two new business credits are available for 2007 and are located in the generic record layout:

Environmental Stewardship Credit - If you electronically file a return with a value in these fields, processing will be delayed as the credit requires verification by the Department of Revenue.

Clean Coal Incentive Credit - If you electronically file a return with a value in these fields, processing will be delayed as the credit requires verification by the Department of Revenue.

Note: All of the credits listed above have supporting documentation that the taxpayer is required to retain with Form 8453-K.

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New Refund Option: For tax year 2006, Kentucky will not allow taxpayers to split their refund into different accounts.

Family Size Tax Credit

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The family size tax credit will change yearly based on federally released poverty levels. The new amounts are included below:

Size of Family Unit / Description	Amount
1 - An individual either single or married living apart from his or her spouse for the entire year	\$ 9,800
2 - An individual with one dependent child or a married couple	\$13,200
3 - An individual with two dependent children or a married couple with one dependent child	\$16,600
4 or more - An individual with three dependent children or a married couple with two dependent children	\$20,000

Note: For purposes of computing the family size tax credit the maximum family size is 4.

Children of divorced or separated parents can be claimed for the FSTC based on where they resided the majority of the year, not necessarily the parent that claimed the child as a deduction.

The following table lists the percentage used in calculating the FSTC based on family size and modified gross income.

	Family Size	Poverty Level		FSTC %
MGI	1		\$ 9,800	100%
	2		\$13,200	100%
	3		\$16,600	100%
	4		\$20,000	100%
		Over	But not over	
MGI	1	\$ 9,800	\$10,192	90%
	2	\$13,200	\$13,728	90%
	3	\$16,600	\$17,264	90%
	4	\$20,000	\$20,800	90%
		Over	But not over	
MGI	1	\$10,192	\$10,584	80%
	2	\$13,728	\$14,256	80%
	3	\$17,264	\$17,928	80%
	4	\$20,800	\$21,600	80%
	Family Size	Poverty Level		FSTC %
		Over	But not over	
MGI	1	\$10,584	\$10,976	70%
	2	\$14,256	\$14,784	70%
	3	\$17,928	\$18,592	70%
	4	\$21,600	\$22,400	70%
		Over	But not over	
MGI	1	\$10,976	\$11,368	60%
	2	\$14,784	\$15,312	60%
	3	\$18,592	\$19,256	60%
	4	\$22,400	\$23,200	60%
		Over	But not over	
MGI	1	\$11,368	\$11,760	50%
	2	\$14,312	\$15,840	50%
	3	\$19,256	\$19,920	50%
	4	\$23,200	\$24,000	50%
		Over	But not over	
MGI	1	\$11,760	\$12,152	40%
	2	\$15,840	\$16,368	40%
	3	\$19,920	\$20,584	40%

	4	\$24,000	\$24,800	40%
		Over	But not over	
MGI	1	\$12,152	\$12,446	30%
	2	\$16,368	\$16,764	30%
	3	\$20,584	\$21,082	30%
	4	\$24,800	\$25,400	30%
		Over	But not over	
MGI	1	\$12,446	\$12,740	20%
	2	\$16,764	\$17,160	20%
	3	\$21,082	\$21,580	20%
	4	\$25,400	\$26,000	20%
		Over	But not over	
MGI	1	\$12,740	\$13,034	10%
	2	\$17,160	\$17,556	10%
	3	\$21,580	\$22,078	10%
	4	\$26,000	\$26,600	10%

Standard Deduction

The Standard Deduction for 2007 has been increased to \$1,970.00.

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Schedule A Limitation

The itemized deduction limitation on Schedule A has been increased to \$150,500.

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Reject Codes

New reject codes have been added.

Acknowledgment Layout

The IRS acknowledgement layout must accept a new value in the ACK Key record, field 0050, as a result of the new imperfect return indicator.

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Reminder For Direct Debit Payments

Kentucky will accept direct debit payments on tax due returns. The payment on any return filed prior to April 16th can be warehoused until that date. After that date there will be no warehousing of the payment. The account will be debited when the return has completed processing. **Field 0027 (Direct Debit Date) is the date the taxpayer wishes to have the payment withdrawn from their account. The amount of the debit payment, Field 0028 (Direct Debit Payment), must match the amount owed on the return, Field 0635. Partial payments will not be accepted.**

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Note: The processing of a debit payment can take up to 7 days. Payments warehoused until April 16th may not be withdrawn from the taxpayer's account on the 16th but are treated as timely payments when they are withdrawn. Please make sure your customers are aware of this condition if they elect to warehouse their debit payment.

Section 3: CONTACT INFORMATION

Technical Specifications State Record Layouts PATS Testing

Primary Contact:

Aaron Hicks

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Secondary Contact:

Peggy Barber

Phone: 502-564-4581 Ext. 4672

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Electronic Filing Coordinator Electronic Filing Helpdesk

Primary Contact:

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Secondary Contact:

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Section 4: ACKNOWLEDGEMENT SYSTEM

Kentucky will continue sending acknowledgments through the IRS. We will use the same format that is prescribed by the IRS for all acknowledgements.

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Section 4.1: ACKNOWLEDGMENT CODES

ACC = Acceptance Codes

A = Accepted Return

R = Rejected Return

D = Duplicate Return

E = Exception Processing

EFT = Deposit Codes*

D = Direct Deposit Requested

C = Refund Check Requested

B = Balance Due Return

G = Direct Debit Requested – On any tax due return filed prior to the April 16th deadline, a taxpayer requesting a direct debit payment of tax due may warehouse the payment up until that date. After April 16th, all direct debit withdrawals will be made on the date the return is accepted.

*These codes will only reflect what the taxpayer has requested. Any errors identified during mainframe processing or offset situations will result in **NO** direct deposit being issued. Any residual refunds will be issued with a paper check.

Error = Rejection Codes

2006 Tax Year Reject Codes for ELF System

Form 740 Errors

- 0001 Kentucky return must begin with Federal Adjusted Gross Income
- 0002 Invalid Software developer code.
- 0003 Invalid EFIN.
- 0004 Duplicate Return. Electronic Return already received.
- 0005 Error in Federal AGI on married filing separate return.
- 0006 Federal Return required for State Only returns.
- 0007 Nonresidents and part-year residents are not eligible for electronic filing.
- 0008 Unformatted header records incomplete. Software format issue.
- 0009 Unformatted record byte count incorrect.
- 0010 Invalid debit routing number.
- 0011 Invalid debit account number. Must be numeric only.
- 0012 Invalid indicator. Indicator should be "1" for Direct Deposit option.
- 0013 Invalid debit indicator. Indicator should be "2" for Direct Debit option.
- 0014 Invalid debit amount. Debit payment amount must equal amount due on return.
- 0015 Invalid debit date. Debit payment cannot be warehoused after April 15th.
- 0016 Invalid debit date. Invalid date format in file.
- 0017 Incomplete debit/deposit account type. (Checking / Savings account indicator blank)
- 0018 Primary social security number missing.
- 0019 Spouse social security number missing.
- 0020 Name / address fields incomplete.
- 0021 City / State / ZIP code fields incomplete.
- 0022 Filing status incomplete.
- 0023 Invalid Filing Status. Must equal 1, 2, 3 or 4.
- 0024 Taxpayer political party fund code invalid. Must equal 4, 5 or 6.
- 0025 Spouse political party fund code invalid. Must equal 1, 2 or 3 if filing status 2 or 3 is used.
- 0026 Additions on Form 740, line 6, does not match additions from Schedule M.
- 0027 Error in calculation on Form 740 Line 7

0028 Subtractions on Form 740, line 8, does not match subtractions from Schedule M.

0029 Error in computing KY AGI, Form 740, line 9.

0030 Error in standard deduction amount claimed.

0031 Itemized deductions claimed does not match the Spouse total on Schedule A.

0032 Itemized deductions claimed does not match the Taxpayer total on Schedule A.

0033 Error in computing taxable income.

0034 Line 13 amount claimed does not match value on Form 4972-K.

0035 Error in tax amount from tax table or computation.

0036 Total Business Incentive Credits does not match total from page 2, Section A, lines 13A or 13B.

0037 Total Personal Tax Credits claimed does not match total from Page 2, Section B, lines 4A or 4B.

0038 Error in computing subtotal tax after business incentive and personal credits, line 18.

0039 Error in computing Total Family Size

0040 Error in computing Family Size Tax Credit

0041 Education Tuition Tax Credit does not match total from Form 8863K.

0042 Error in computing Child and Dependent Care Credit.

0043 Error in computing Income Tax Liability, line 26.

0044 Error in computing Total Tax Liability, page 1, line 28 / page 2, line 29.

0045 Error in amount claimed as Kentucky Income Tax Withheld.

0046 Error in amount claimed as Kentucky Estimated Tax Payments.

0047 Error in amount claimed as Kentucky Refundable Corporate Entity Credit.

0048 Error in computing line 31, total refundable credits.

0049 Error in computing amount overpaid.

0050 Error in computing additional tax due.

0051 If additional tax due is greater than \$500, you are required to file Form 2210K.

0052 Error in computing amount you owe.

0053 Error in computing total Business Incentive Credits, Section A.

0054 Credit for Tax Paid to Other State not eligible for electronic filing without supporting documentation.

0055 Corporate Entity Credit not eligible for electronic filing without supporting documentation.

0056 BIC not eligible for electronic filing.

0057 Worksheet required when claiming tax paid to another state.

0058 Check boxes for personal credits must be checked if applicable.

0059 Error in totaling personal credits.

0060 Incomplete dependent information.
Total dependents claimed on lines 3A and 3B, Section B, Personal Tax Credits does not equal total credits claimed on line 3.

0061

0062 Calculation error in Section B, Personal Tax Credits, lines 4A and/or 4B.

SCHEDULE M Errors

- 0063 Schedule M required but not submitted with return.
- 0064 Spouse total additions is mathematically incorrect.
- 0065 Taxpayer total additions is mathematically incorrect.
- 0066 Spouse total subtractions is mathematically incorrect.
- 0067 Taxpayer total subtractions is mathematically incorrect.
- 0068 Negative values are not allowed on Schedule M.
- 0069 Pension exclusion amount claimed cannot be verified. Does not match federal return data.
Social security amount claimed as deduction cannot be verified. Does not match federal return data
- 0070 submitted.

SCHEDULE A Errors

- 0071 Schedule A required but not submitted with return.
- 0072 Percentage field format error.
- 0073 Error in computing KY AGI on Schedule A.
- 0074 Total contributions are limited to 50% of KY AGI.
- 0075 Filing status 2 requires page 2, Schedule A to be completed.
- 0076 Error in total itemized deduction calculation.

SCHEDULE P Errors

- 0077 Invalid date format in file.
- 0078 Schedule P required but not submitted with return.
- 0079 Invalid Percentage field format on Schedule P.
- 0080 Error in Schedule P flow to Schedule M.

Form 2210K Errors

- 0081 Part I calculation error on Form 2210K.
- 0082 Part I data incomplete on Form 2210K.
- 0083 Part II calculation error on Form 2210K.
- 0084 2210K required but not filed.

Form 8863K Errors

- 0085 8863K required but not filed.
- 0086 Error in calculating education credit.
- 0087 Incomplete data on 8863K.
- 0088 Only undergraduate studies at Kentucky institutions qualify for education credit.

Form 4972K Errors

- 0089 4972K required but not filed.
- 0090 Calculation error on Form 4972K.
- 0091 Incomplete data on Form 4972K.

Credit for Tax Paid to Other State Worksheet

- 0092 Tax Paid to Other State worksheet required but not filed.
- 0093 Incorrect computation on TPOS Worksheet.
- 0094 Reciprocal state. Other state income appears to be on wages.

Credit for Refundable / Nonrefundable Corporate Entity Credit

- 0095 Corporate Entity Credit worksheet required but not filed.
- 0096 Incorrect computation on Corporate Entity Worksheet.
- 0097 Total on Corp Entity Worksheet does not match credit claimed on return.

SCHEDULE J Errors

- 0098 Schedule J required but not filed.
- 0099 Calculation error on Schedule J.
- 0100 Incomplete data on Schedule J.

Section 5: Kentucky Testing Procedures

Software developers that meet the current testing requirements set forth by the IRS are invited to test for Kentucky Department of Revenue acceptance. No formal application is necessary, although, a secondary check against our records will be performed prior to acceptance. The **Kentucky Test Package** will be available after the federal package is released to software developers. All transmissions must contain the software developer's identification. This identification must be provided before the first test file is transmitted. A contact name and email address must also be provided for test result notification. **After your software is accepted, an acceptance letter will be issued which must be provided to all software users with the final version of the software.**

Developers planning to provide on-line filing must submit a set of test records for their on-line program. This set of returns should be submitted after approval of the practitioner software and should contain the on-line filing indicator [(alpha) O] in field 0049 of the generic record.

Developers planning on submitting State Only Returns must also provide a set of test records setting the State Only indicator to "SO". (Field 0019) State Only Indicator. These tests should be submitted after your software has been approved for E-file or On-line file by the Department of Revenue.

Developers may submit their own PATS tests for the 2007 processing season as long as they meet the required form criteria. Kentucky will also devise PATS tests based on the federal PATS tests. Whichever method is used by the developer for testing purposes will need to be identified via email to Aaron.Hicks@ky.gov.

Section 6: EXCLUSIONS FROM KY ELECTRONIC FILING

See forms below that are not accepted electronically for the 2006 tax year.

The following forms/line items will **not** be acceptable for electronic filing:

1. Form 740-X, Amended Kentucky Individual Income Tax Return
2. Form 740-NP, Nonresident or Part-Year Resident Income Tax Return
3. Form 740-NP-R, Nonresident - Reciprocal State
4. Fiscal year filers
5. Prior year returns
6. Any partnership, corporate or fiduciary tax return

*****In addition to the above exclusions from Kentucky electronic filing, any income tax return reflected in the list of exclusions from federal electronic filing cannot be filed through the Federal/State Electronic Filing Program.**

Section 7: SOFTWARE EDITS & CROSS-CHECKS

Software edits must be included in all programs to minimize the number of returns in error due to controllable conditions. The following is a list of the edit guidelines that should be included in the software to properly complete the Kentucky return.

1. Line 5 of Form 740 or Line 1 of Form 740-EZ **must** match the federal adjusted gross income on Line 36 of Form 1040, Line 21 of Form 1040A or Line 4 of Form 1040EZ. **(Exception: If Kentucky filing status is Married Filing Separate Returns and the federal filing status is Married Filing Joint).**
2. Name fields must contain no spaces or punctuation marks. Name suffixes must be contained in the appropriate field. Address fields should contain no punctuation.
3. Taxpayers over 65 or legally blind are entitled to additional tax credits. If fields 0305.50 (Over 65 Credit – Taxpayer), 0305.70 (Blind Credit – Taxpayer), 0305.10 (Over 65 Credit – Spouse) or 0305.12 (Blind Credit – Spouse) are “1”, then the corresponding fields 0305.60, 0305.80, 0305.11 or 0305.13 must equal “1”.
4. Taxpayers in the National Guard are allowed an extra tax credit. “NG” must be placed in the space for Other First Name 4 (0320) and the credit should be added to the Credits – Other Dependents total (Field 0305).
5. The Family Size Tax Credit may be applicable to taxpayers whose Kentucky modified gross income (See instruction #30) is less than or equal to \$26,600. Taxpayers filing “Married Filing Separate Returns” will not be allowed a family size tax credit unless the spouse’s Kentucky adjusted gross income is included in generic record field 0775 to determine the correct calculation. This credit is based on Family Size (See instruction 31) and KY modified gross income.
6. If a taxpayer’s Kentucky modified gross income is negative, the Kentucky modified gross income is zero (\$0) for family size tax credit calculation.
7. If one taxpayer uses itemized deductions then the spouse must also itemize deductions. Returns filed with 2 Schedule A forms are accepted. The standard deduction is only available to non-itemizers. Married Filing Joint Returns are only entitled to one standard deduction.
8. All additions and subtractions to federal adjusted gross income on Schedule M must be positive numbers. Negative numbers will cause the return to be rejected.
9. If Kentucky Schedule A, Schedule M, Schedule P, Schedule J, Form 2210-K, 4972-K, Form 8863-K or Form 8582-K are utilized or required and the software does not support these schedules or forms, the taxpayer will not be allowed to file electronically. Any return requiring and missing these schedules will be rejected.
10. If the Kentucky adjusted gross income has a negative value, it is treated as such on the Kentucky Schedule A for the adjusted gross income fields.

11. Fields 0050 and 0052 are required if someone other than the taxpayer prepares the return.
12. Software Developer Code is required for testing and for live transactions. If the code is different from testing to live transactions or changes from the previous year, the Systems Development Branch must be notified. Returns containing invalid software codes will be rejected and deleted. **If this is the first year of testing or your code has changed, your Software Developers Code must be provided before test records are sent.** Every attempt will be made to identify the vendor that submitted the file with the unidentified vendor code.
13. All “other additions (Schedule M, line 5)” and “other subtractions (Schedule M, line 15)” require comments to be entered. If data is present in Schedule M fields 0100, 0175, 0220 or 0280, then corresponding data must be contained in Other Additions or Other Subtractions verbiage fields (Additions fields 0085, 0090 & 0095 / Subtractions fields 0160, 0165 & 0170).
14. Underpayment of Estimated Tax Penalty--Form 2210-K is required if Form 740, line 40 (field 0605), exceeds \$500. If required, field 0610 must equal the state unformatted record field 0110 of Record ID 2210Kb.
15. Late Filing Penalty--If field 0320.20 is “N” and the filing date is after April 16, 2007, a late filing penalty must be calculated. The penalty is 2 percent of the additional tax due (Field 0605) for each 30 days or fraction thereof that a return is not filed. The penalty does not exceed 20 percent and the minimum penalty is \$10.
16. Late Payment Penalty--For returns filed after April 16, 2007, if the amount timely paid (field 0560) is greater than 75 percent of the tax determined due (field 0540), no late payment penalty is due. If the amount prepaid (field 0560) is less than 75 percent of the tax determine due (field 0540), then a penalty of 2 percent of the tax computed due (field 0605) may be assessed for each 30 days or fraction thereof that the tax is past due, not to exceed 20 percent. The minimum penalty is \$10.
17. Interest--For returns filed after April 16, 2007, interest is assessed at the “tax interest rate” from April 16, 2007, until the date of payment. For 2005 tax returns (calendar year 2006), the interest rate is 7 percent or .000192 daily. The interest rate for 2006 tax returns (calendar year 2007) has not yet been set.
18. Spouse data is required for Kentucky filing status “Married, filing separately on a combined return.”
19. In the Consistency Section, fields 0150 through 0205 are required fields if data in the comparable fields on the federal return are significant. They must agree with the federal data contained in the unformatted record.
20. Childcare is only allowable if federal Form 2441 is submitted. It should be included in the unformatted record with the federal data, even if it is not required for federal purposes. Line 9 of Form 2441 is the amount used to calculate the Kentucky credit for child-care expenses.
21. The format for percentage fields should be as follows: 100% = “10000”; 89.95% = “08955”; 3.45% = “00345”; 70% = “07000”.
22. On the Schedule P the following pairs of fields are mutually exclusive (if one contains an amount, the other must be zero): fields 0060 & 0065, fields 0080 & 0085, fields 0100 & 0105, fields 0140 & 0145, fields 0170 & 0175 and fields 0200 & 0205.

23. Foreign Address - The foreign address will be printed in the same fields allocated for domestic address on the form.
24. Political Party Fund – One of the three (3) taxpayer political party fund options must be selected for all filing statuses. If “Single” or “Married Filing Separate Returns” the spouse political party fund should be NULL. If married filing joint or married filing separate on a combined return filing status is selected, one of the taxpayer and spouse political party fund options must be selected.
25. Computation for 2210-K penalty. If Income Tax Liability is > \$500, add Income Tax Liability (Generic Record Field 0530) plus Spouse Tax Paid to Other State Credit (Field 0665) + Taxpayer Tax Paid to Other State Credit (Field 0670). If Total Payments (Field 0560) is =>70% of the above calculation, no penalty is due.
26. If the Schedule A is present in the file layout, the KY AGI fields can be populated even if that section of the Schedule A is not utilized.
27. The Fields in the Consistency section are required fields. If not present in the federal return, zeroes are required.
28. **Do not cross forms between two unformatted records. This will cause a rejection of the return.**
29. Field 0074 (C/O Address). C/O info, if entered, should be placed in Address line 1, followed by street address in Address line 2. Field 0074 will not be used for KY purposes.
30. Kentucky Modified Gross Income – The Family Size Tax Credit must be computed using the modified gross income for KY. This would be the Federal adjusted gross income plus bond interest from sister states excluded on federal return plus tax on lump-sum distributions calculated on Schedule 4972K.
31. Family Size – This must also be computed along with the KY modified gross income to determine the correct percentage for the Family Size Tax Credit.
Size of Family Unit
Family Size 1: An individual either single or married living apart from his or her spouse for the entire year.
Family Size 2: An individual with one qualifying dependent child or a married couple.
Family Size 3: An individual with two qualifying dependent children or a married couple with one qualifying dependent child.
Family Size 4: An individual with three or more qualifying dependent children or a married couple with two or more qualifying dependent children.
32. Direct deposit account numbers and direct debit payment account numbers are housed in the same field (field 0035). If direct debit is indicated in field 0024 then State depositor number (field 0035) should be numeric only. If direct deposit is indicated in field 0024 then State depositor number should be alpha-numeric. In short, direct deposits can be alpha-numeric and direct debit payments must be numeric.

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Section 8: Kentucky Record Layout & File Specifications

Federal Data – A complete copy of the federal return is required on all electronically filed returns including state only returns.

The federal data should be identical to the IRS data with the exception of four (4) characters. For these characters, a state character should be substituted for the corresponding IRS value. The characters are as follows:

IRS Character	Substitution Character	ASCII Hex	EBCDIC Hex
****	!!!!	21212121	5A5A5A5A
[{	7B	C0
]	}	7D	D0
#	\$	24	5B

The federal data may be formatted using the IRS formatting requirements for variable length records or the IRS formatting requirements for fixed length records. A flag in alphanumeric field 0320.10 will indicate the format utilized. The values are as follows:

“V” = Variable Format

“F” = Fixed Format

The IRS Summary Record should not be placed in the unformatted state record. If it is included, it will not be edited or processed by the Cabinet.

Refer to Publication 1346, Part I, Section 12 “Federal/State Electronic Filing Specifications” for a discussion of the unformatted state record.

Generic Record Layout – The Kentucky tax returns are reviewed yearly to reflect legislative changes as well as any IRS changes that Kentucky adopts. The generic record has been designed to reflect these changes as well as to adopt the standards and guidelines agreed on by the states and development community. Please examine each field in the generic carefully to insure you are meeting our requirements. The Generic record includes the Form 740, pages 1 and 2, only. If the 740-EZ is filed it should be formatted in the 740 format.

Unformatted Record Layout – (Federal) The unformatted federal record should follow the generic record. It should be a separate unformatted record from the state unformatted record ended with a “#” sign.

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Unformatted Record Layout – (State) The unformatted state record is used for all forms and schedules that are attachments to the Form 740. This would include Schedule M, Schedule A, Schedule P, Schedule J, Form 2210-K, Form 4972-K, Form 8582, Form 8863-K, Form 4562-K and 2 supporting worksheets. The 4562-K is the federal 4562 recalculated using Internal Revenue Code as of 12/31/2002, which excludes bonus depreciation and uses different limitations. If state unformatted data exists, it should always follow the federal unformatted record.

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TY 06 Filing Period – Kentucky’s filing period for electronic returns will be identical to the IRS filing period. Our last date to accept returns is October 15, 2007.

On-line Filing – The Kentucky Department of Revenue accepts return filed on-line. The layout for these returns is identical to other electronically filed returns. A value of “O” should appear in field 0049 to identify on-line returns.

State Only Filing – The Kentucky Department of Revenue accepts state only filed returns. Field 0019 in the generic record should be set to “SO” to identify these returns. The federal return is required before we will accept state only filed returns. If the federal return is not present, the return will be rejected with a reject code of **0006**.

Please note the following items:

- Only whole dollar amounts should be entered on the federal and state returns.
- The record consists of the generic record and separate unformatted records. The generic record should always be followed by the federal unformatted record then the state unformatted record, if it exists.

SAMPLE ADDRESSES

Prefix Names:

EXAMPLE:	O'Brien	KEY:	Obrien
	Van Winkle		Vanwinkle
	Mc Donald		McDonald

Street:

EXAMPLE:	120 South Fourth Street
KEY:	120 South Fourth Street
EXAMPLE:	23 East 4th Street
KEY:	23 East 4th Street
EXAMPLE:	2466 1/2 West Highway North
KEY:	2466 West Highway North
EXAMPLE:	C/O George Smith
KEY:	CO George Smith
EXAMPLE:	C/O Jones Mfg Co
KEY:	Jones Mfg Co
EXAMPLE:	C/O 123 Main St

KEY:	123 Main St
EXAMPLE:	12 North St Apt #4
KEY:	12 North St Apt 4
EXAMPLE:	34 Hopewell-Bohon Rd
KEY:	34 Hopewell Bohon Rd
EXAMPLE:	543 Lovelace-Florence Station Rd
KEY:	543 Lovelace Florence Stat Rd

Section 9: Generic Record Layout

See 2006 Electronic File Layout Document on our website

Section 10: State Unformatted Record Layout

After the generic record, the unformatted federal record is required followed by the record terminus character “#”. The federal unformatted record is required on all returns, including state only returns.

The next section is the state unformatted record. If any of the following forms are used by the taxpayer, the data should be included in this record followed by the record terminus character “#”.

**Schedule A
Schedule J
Schedule M
Schedule P
Form 2210K
Form 4562K
Form 4972K
Form 8582K
Form 8863K
Worksheet A
Worksheet B**

Section 11: Acknowledgement Record Layout

The IRS will be handling the state acknowledgements. See the format below.

TRANA Outer

Field #	Position	Data	Description	Field Info	Length
	1	0120	Byte Count		4
	5	****	Record Sentinel		4
0000	9	TRANAb	Tran A Identifier (All Caps)		6
0010	15	610600439	EIN of Transmitter	On Form 8633	9
0020	24	KENTUCKY DEPT OF REVENUE	Transmitter Name		35
0030	59	PREPARER'S AGENT	Transmitter Type		16
0040	75	"G" = Philadelphia	Processing Site		1
0050	76		Transmission Date	Date file is built - YYYYMMDD	8
0060	84		ETIN of State + Use Code	On Form 8633	7
0070	91		Julian Date	Blank	3
0080	94	01 - ?	Transmission Seq.	Files Per Day	2
0090	96	A	Transmission Format	A = ASCII	1
0100	97	F	Record Type	F = Fixed / V = Variable	1
0110	98		EFIN Of Transmitter	Blank	6
0120	104		Filler	Blank	5
0130	109		Reserved	Blank	1
0140	110		Reserved	Blank	1
0150	111		Reserved	Blank	6
0160	117	T or P	Production - Test	T = Test / P = Production	1
0170	118	Z	Transmission Type Code	Z = State Acknowledgement	1
0180	119		Reserved	Blank	1
	120	#	Terminus		1

TRANB Outer

Field #	Position	Data	Description	Field Info	Length
	1	0120	Byte Count		4
	5	****	Record Sentinel		4
0000	9	TRANBb	Tran B Identifier (All Caps)		6
0010	15	610600439	EIN of Transmitter (Must match TRANA Record)		9

0020	24	1266 LOUISVILLE RD	Transmitter Address		35
0030	59	FRANKFORT KY 40620	Transmitter Type		35
0040	94	5025645370	Transmitter Phone		10
0050	104		Filler	Blank	16
	120	#	Terminus		1

TRANA Inner

Field #	Position	Data	Description	Field info	Length
	1	0120	Byte Count		4
	5	****	Record Sentinel		4
0000	9	TRANAb	Tran A Identifier (All Caps)		6
0010	15		EIN of Transmitter		9
0020	24		Transmitter Name (Mailbox ID)		35
0030	59	PREPARER'S AGENT	Transmitter Type		16
0040	75	"G" = Philadelphia	Processing Site		1
0050	76		Transmission Date	Date file is built - YYYYMMDD	8
0060	84		ETIN of Transmitter	ETIN plus Transmitter's Use Code (Must match Field 0030 of ACK Key Record)	7
0070	91		Julian Date		3
0080	94		Transmission Seq.		2
0090	96	A	Transmission Format	A = ASCII	1
0100	97	F	Record Type	F = Fixed / V = Variable	1
0110	98		EFIN Of Transmitter		6
0120	104		Filler	Blank	5
0130	109		Reserved	Blank	1
0140	110		Reserved	Blank	1
0150	111		Reserved	Blank	6
0160	117	T or P	Production - Test	T = Test / P = Production	1
0170	118	Z	Transmission Type Code	Z = State Acknowledgement	1
0180	119		Reserved	Blank	1
	120	#	Terminus		1

TRANB Inner

Field #	Position	Data	Description	Field Info	Length
	1	0120	Byte Count		4
	5	****	Record Sentinel		4
0000	9	TRANBb	Tran A Identifier (All Caps)		6
0010	15		EIN of Transmitter		9
0020	24		Transmitter Address		35
0030	59		Transmitter City State ZIP		35
0040	94		Transmitter Phone	Blank	10
0050	104		Filler	Blank	16
	120	#	Terminus		1

ACK Key Record

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Field #	Position	Data	Description	Field Info	Length
	1	0120	Byte Count		4
	5	****	Record Sentinel		4
0000	9	ACKbbb	ACK Record ID		6
0005	15		Reserved IP Addr Code	Blank	1
0010	16		EIC Indicator	Blank	1
0020	17		Primary SSN		9
0030	26		RSN: Numeric ETIN (5) Transmitter Use Code (2) Julian Date (3) Trans Seq Number (2) Seq Num for Return (4)	Numeric ETIN (5) ETIN must equal Field 0060 of Inner TRANA Transmitter's Use Code (2) Julian Day (3) Trans Seq Num (2) Seq Num for Return (4) State must use RSN from Field 0023 of Generic Record	16
0040	42		Refund or Balance Due field from return	Blank	12
0050	54		"A" = Accepted "R" = Rejected "D" = Duplicate "E" = Exception Processing		1
0060	55		Duplicate Code	Blank	3
0065	58		PIN Presence Indicator	Blank	1
0070	59		EFT Code	Blank	1
0080	60		Date Accepted	YYYYMMDD	8
0090	68		Return DCN	NNNNNNNNNNNNNNNN - State must use	14

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					DCN in Field 0020 of Generic Record - First two digits must be zeros	
0100	82		Number of Error Records	Numeric 00-96	2	
0110	84		FOUO RET SEQ NUM	Blank	13	
0112	97		State DD Ind	Blank	1	
0115	98		Payment Acknowledgment	Blank	15	
0117	113		Date of Birth Validation	Blank	1	
0118	114		Filler	Blank	1	
0119	115		State Only Code	Blank	2	
0120	117		Debt Code	Blank	1	
0130	118	KY	State Packet Code		2	
	120	#	Record Terminus Character		1	

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ACK Error Record

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Field #	Position	Data	Description	Field Info	Length
	1	0120	Byte Count		4
	5	****	Start of Record Sentinel		4
0000	9	ACKRbb	Record ID		6
0010	15	Numeric (Must match ACK Key Record)	Primary Taxpayer SSN		9
0020	24		Reserved	Blank	7
0030	31		Error Record Sequence Number	Blank	2
0040	33		Error Form Record ID	Blank	6
0050	39		Error Form Record Type	Blank	6
0060	45	PG00b	Error Form Page Number		5
0070	50	0000001	Error Form Occurrence Number		7
0080	57		Error Field Sequence Number	Blank	4
0090	61	Numeric, Refer to KY Reject Codes	Error Code		4
0100	65		Filler	Blank	55
	120	#	Record Terminus Character		1

ACK Recap Record Inner

Field #	Position	Data	Description	Field Info	Length	
	1	"0120"	Byte Count		4	
	5	"*****"	Start of Record Sentinel		4	
d000	9	"RECAPb"	Record ID		6	Formatted Table
d010	15		Filler	Blank	8	
d015	23		Total Exception Processing	NNNNNN	6	
d020	29		Total EFT Count	Blank	6	Deleted: 23
d030	35		Total Return Count	Return count for ETIN (Total ACK Key count)	6	Deleted: 29
d040	41		ETIN + Use Code (Transmitter)		7	Deleted: 35
d050	48		Julian Date of Transmission		3	Deleted: 42
d060	51		Transmission Sequence Number for Julian Date		2	Deleted: 45
d070	53		Total Accepted Returns	Accepted for ETIN	6	Deleted: 47
d080	59		Total Duplicated Returns	Blank	6	Deleted: 53
d090	65		Total Rejected Returns	Rejected for ETIN	6	Deleted: 59
d100	71		Total Duplicated EFT	Blank	6	Deleted: 65
d110	77		Computed EFT Count	Blank	6	Deleted: 71
d120	83		Computed Return Count	Blank	6	Deleted: 77
d130	89		Total State Only Return Count	Blank	6	Deleted: 83
d135	95		Total Accepted State Only	Blank	6	Deleted: 89
d137	101		Filler	Blank	5	Deleted: 95
d140	106		Acknowledgement file name	IRS Determined	20	Deleted: 100
	126	#	Record Terminus Character	Sort by ETIN	1	Deleted: 120

ACK Recap Record Outer

Field #	Position	Data	Description	Field Info	Length
	1	"0120"	Byte Count		4
	5	"*****"	Start of Record Sentinel		4
0000	9	"RECAPb"	Record ID		6
0010	15		Filler	Blank	8
0020	23		Total EFT Count	Blank	6
0030	29		Total Return Count	Total of Inner envelopes	6
0040	35		ETIN + Use Code (State ETIN)	Must Match TRANA Outer record	7
0050	42		Julian Date of Transmission	Blank	3
0060	45		Transmission Sequence Number for Julian Date	Blank	2
0070	47		Total Accepted Returns		6
0080	53		Total Duplicated Returns		6
0090	59		Total Rejected Returns		6
0100	65		Total Duplicated EFT	Blank	6
0110	71		Computed EFT Count	Blank	6
0120	77		Computed Return Count	Blank	6
0130	83		Total State Only Return Count	Blank	6
0135	89		Total Accepted State Only	Blank	6
0137	95		Filler	Blank	5
0140	100		Acknowledgement file name	Must be blank	20
	120	#	Record Terminus Character		1